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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
SEC  
Washington, D.C. 20549

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105

**ANNUAL AUDITED REPORT**  
**FORM X-17A-5**  
**PART 111**

AUG 30 2016

Washington DC

**OMB APPROVAL**  
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**SEC FILE NUMBER**  
**8-28694**

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 07/01/15 AND ENDING 06/30/16  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

**Lamon & Stern, Inc.**

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

**1950 North Park Place, Suite 100**

(No. and Street)

**Atlanta****GA****30339**

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

**Hollis M. Lamon****(770) 951-8411**

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in the Report\*

**Rubio CPA, PC**

(Name - if individual, state last, first, middle name)

**900 Circle 75 Parkway SE, Suite 1100****Atlanta****Georgia****30339**

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)


Potential persons who are to respond to the collection of  
information contained in this form are not required to respond  
unless the form displays a currently valid OMB control number.


ACB

## OATH OR AFFIRMATION

I, Hollis M. Lamon, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Lamon & Stern, Inc, as of June 30, 2016, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
Signature  
President  
Title

  
Notary Public

*My commission expires Aug. 9, 2018*

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation, between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☒ (m) A copy of the SIPC Supplemental Report
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17z-5(e)(3).**

**LAMON & STERN, INC.**

**FINANCIAL STATEMENTS WITH REPORT OF  
INDEPENDENT PUBLIC ACCOUNTING FIRM**

**FOR THE YEAR ENDED**

**JUNE 30, 2016**

# RUBIO CPA, PC

CERTIFIED PUBLIC ACCOUNTANTS

900 Circle 75 Parkway  
Suite 1100  
Atlanta, GA 30339  
Office: 770 690-8995  
Fax: 770 980-1077

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder of  
Lamon & Stern, Inc.

We have audited the accompanying financial statements of Lamon & Stern, Inc. which comprise the statement of financial condition as of June 30, 2016, and the related statements of operations, changes in stockholder's equity, and cash flows for the year then ended that are filed pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements and supplemental information. Lamon & Stern, Inc. management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lamon & Stern, Inc. as of June 30, 2016, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

The information contained in Schedules I, II and III has been subjected to audit procedures performed in conjunction with the audit of Lamon & Stern, Inc. financial statements. The information is the responsibility of Lamon & Stern, Inc. management. Our audit procedures included determining whether the information in Schedules I, II and III reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the accompanying schedules. In forming our opinion on the accompanying schedules, we evaluated whether the supplemental information, including its form and content, is presented in conformity Rule 17a-5 of the Securities Exchange Act of 1934. In our opinion, the aforementioned supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

August 25, 2016  
Atlanta, Georgia

Rubio CPA, PC  
RUBIO CPA, PC

Lamon & Stern, Inc.  
Statement of Financial Condition  
June 30, 2016

Assets

Cash	\$ 399,631
Accounts receivable	84,667
Income tax refund receivable	9,163
Deferred tax asset	16,267
Other current assets	4,277
 Furniture, equipment and leasehold improvements net of accumulated depreciation of \$39,738	 2,407
 Deposit with clearing broker-dealer	 25,000

Total assets	<u>\$ 541,412</u>
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Liabilities and stockholder's equity

Liabilities

Accrued commissions	25,005
Accrued expenses	21,663
Accrued soft dollar liability	9,152
Accrued profit sharing plan expense	41,328

Total liabilities	97,148
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Stockholder's equity

Common stock, \$1 par value, 100,000 shares authorized, 500 shares issued and outstanding	500
Additional paid-in capital	6,149
Retained earnings	437,616

Total stockholder's equity	444,265
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Total liabilities and stockholder's equity	<u>\$ 541,412</u>
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See accompanying notes.

**Lamon & Stern, Inc.**  
**Statement of Operations**  
**June 30, 2016**

Revenues	
Fees for account supervision	\$ 1,305,463
Commissions	3,680
Soft dollar commissions	21,256
Interest	<u>3,543</u>
Total revenues	1,333,942
Expenses	
Commissions	457,376
Soft dollar commissions	18,402
Employee compensation and benefits	779,832
General and administrative	173,701
Occupancy	27,908
Technology and communications	<u>11,621</u>
Total expenses	<u>1,468,840</u>
Total operating income (loss)	(134,898)
Income tax expense (benefit)	<u>(26,593)</u>
Net income (loss)	<u><u>\$ (108,305)</u></u>

See accompanying notes.

**Lamon & Stern, Inc.**  
**Statement of Cash Flows**  
**June 30, 2016**

Increase (decrease) in cash

Cash flows from operating activities

Cash received from brokerage commissions	\$ 1,300,139
Cash paid for commissions and other expenses	(1,452,703)
Interest received	3,543
Interest paid	-
Income tax payments	316

Net cash used by operating activities	(148,705)
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Cash flows from investing activities

Purchases of property and equipment	-
Net cash used in investing activities	-

Cash flows from financing activities

Dividends paid to stockholder	-
Net cash used in financing activities	-

Net decrease in cash	(148,705)
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Cash and cash equivalents, beginning of year	548,335
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Cash and cash equivalents, end of year	\$ 399,631
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Reconciliation of income to net cash provided by operating activities

Net loss	\$ (108,305)
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Adjustments to reconcile net loss to net cash used by operating activities:

Depreciation	869
Change in:	
Commissions receivable	(30,260)
Other receivables	1,917
Income taxes	(26,836)
Accrued expenses	22,390
Accrued commissions	(8,480)

Net cash used by operating activities	\$ (148,705)
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See accompanying notes.

**Lamon & Stern, Inc.**  
**Statement of Changes in Stockholders' Equity**  
**June 30, 2016**

	Common Stock Shares	Amount	Paid-In Capital	Retained Earnings
Balance, June 30, 2015	500	\$ 500	\$ 6,149	\$ 545,921
Dividends	-	-	-	-
Net income (loss)	-	-	-	(108,305)
Balance, June 30, 2016	<u>500</u>	<u>\$ 500</u>	<u>\$ 6,149</u>	<u>\$ 437,616</u>

See accompanying notes.



**Lamon & Stern, Inc.**  
**Notes to Financial Statements**  
**June 30, 2016**

**1. General**

The Company is incorporated under the laws of the State of Georgia. It operates as a broker of securities and is a member of FINRA (Financial Industry Regulatory Authority).

The Company clears all transactions with and for customers on a fully disclosed basis with a national clearing broker/dealer and promptly transmits all customer funds and securities to the clearing broker/dealer and, as such, is exempt from the computation for determination of reserve requirements pursuant to SEC rule 15c3-3 and information relating to the possession or control requirements under SEC rule 15c3-3.

**2. Summary of Significant Accounting Policies**

**Use of Estimates in Financial Statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

Cash represents withdrawable deposits in banks located in Georgia. For purposes of the statement of cash flows, the Company considers all short-term liquid investments with original maturities of three months or less to be cash equivalents. From time to time, balances may exceed FDIC insured limits.

**Deposits with Clearing Agent**

Deposits are held by a clearing agent as a condition of the Company's Fully Disclosed Clearing Agreement.

**Furniture, Equipment and Leasehold Improvements**

Furniture, equipment, and leasehold improvements are carried at cost. Furniture and equipment are depreciated over five to seven years using straight-line and accelerated methods. Depreciation expense for the year ended June 30, 2016 amounted to \$869.

**Lamon & Stern, Inc.**  
**Notes to Financial Statements**  
**June 30, 2016**

**Accounts Receivable**

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all delinquent accounts receivable balances and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Generally, receivables are believed to be fully collectible; accordingly, no allowance for doubtful accounts is reflected in the accompanying financial statements.

**Revenue Recognition**

Commission income and related commission expenses are recognized on the trade date. All securities transactions are handled by a clearing agent, who remits commissions to the Company monthly. During fiscal year 2016, one client accounted for approximately 15% of commission revenues and one client accounted for approximately 72% of accounts receivable as of June 30, 2016.

Soft dollar commission revenue is derived when an institutional investor executes a stock trade through the Company in exchange for the Company paying a bill. Soft dollar commission revenue, and the related soft dollar commission expense, is accounted for on a trade date basis. As of June 30, 2016, the Company had a liability arising from soft dollar transactions of \$9,152.

**Income Taxes**

Income taxes are recognized during the year in which transactions enter into the determination of financial statement income, with deferred taxes being provided for net operating loss carry forwards and temporary differences between amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws.

Management of the Company considers the likelihood of changes by taxing authorities in its filed income tax returns and discloses potential significant changes that management believes are more likely than not to occur upon examination by tax authorities. Management has not identified any uncertain tax positions in filed income tax returns that require recognition or disclosure in the accompanying financial statements. The Company's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination.

**Subsequent Events**

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through the date the financial statements were issued.

**Lamon & Stern, Inc.**  
**Notes to Financial Statements**  
**June 30, 2016**

**3. Net Capital Requirement**

The Company is subject to the Securities and Exchange Commission's Net Capital Rule (rule 15c3-1), which requires that the ratio of aggregate indebtedness to net capital (as these terms are defined in the Rule) shall not exceed fifteen to one. Net capital and the net capital ratio fluctuate on a daily basis. As of June 30, 2016, the ratio of aggregate indebtedness to net capital ratio was .24 to 1 and net capital was \$412,151, which exceeded the minimum net capital requirements by \$162,151.

**4. Employee Benefits**

The Company has established the Lamon & Stern, Inc. 401(k) Profit Sharing Plan (the Plan) under Section 401(k) of the Internal Revenue Code. The Plan is a defined contribution savings plan covering substantially all employees of the Company. The Company may, at its discretion, make employer contributions. Discretionary employer contributions to the Plan were approximately \$76,360 for the year ended June 30, 2016.

**5. Income Taxes**

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of tax currently refundable plus deferred taxes. Deferred tax assets and liabilities represent the future tax return consequences of those differences that will be either deductible or taxable when the assets and liabilities are recovered or settled. The deferred tax benefits for the year ended June 30, 2016 arise from the carry forward of the net operating loss incurred during the year.

Current income tax benefit	\$10,326
Deferred tax benefits	<u>16,267</u>
Total income tax benefit	<u>\$26,593</u>

The Company has a net operating loss carry forward at June 30, 2016 available to offset taxable income in future years of approximately \$80,000 that expires in 2036.

**6. Leases**

The Company leases office premises under a month to month agreement. Rent expense for the year ended June 30, 2016 was approximately \$27,000.

## Supplemental Information

**Lamon & Stern, Inc.**  
**Schedule I**  
**Computation of Net Capital Under Rule 15c3-1**  
**of The Securities and Exchange Commission Act of 1934**  
**as of June 30, 2016**

**Net Capital:**

Total stockholder's equity	\$ 444,265
Less non-allowable assets:	
Income tax refund	(9,163)
Deferred tax asset	(16,267)
Property and equipment	(2,407)
Other current assets	(4,277)
	<u>(32,114)</u>
Net capital before haircuts	412,151
Less haircuts	-
Net capital	412,151
Less required net capital	250,000
Excess net capital	<u>162,151</u>
Aggregate indebtedness	<u>97,148</u>
Net capital based on aggregate indebtedness	<u>5,643</u>
Ratio of aggregate indebtedness to net capital	<u>.24 to 1.0</u>

**Reconciliation with company's computation of net capital included in Part IIA of Form X-17A-5 as of June 30, 2016.**

Net capital as reported in Part IIA of Form X-17a-5	416,427
To classify other current assets as non-allowable	<u>(4,276)</u>
Net capital as reported above	412,151

**Lamon & Stern, Inc.**

**Schedule II**

**Computation For Determination of Reserve Requirements  
Under Rule 15c3-3 of the Securities and Exchange Commission  
As Of June 30, 2016**

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, pursuant to paragraph (k)(2)(ii) of the Rule.

**Schedule III**

**Information Relating to the Possession of Control  
Requirements  
Under Rule 15c3-3 of the Securities and Exchange Commission  
As Of June 30, 2016**

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, pursuant to paragraph (k)(2)(ii) of the Rule.

# RUBIO CPA, PC

CERTIFIED PUBLIC ACCOUNTANTS

900 Circle 75 Parkway  
Suite 1100  
Atlanta, GA 30339  
Office: 770 690-8995  
Fax: 770 980-1077

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder of  
Lamon & Stern, Inc.

We have reviewed management's statements, included in the accompanying Broker Dealers Annual Exemption Report as of and for the fiscal year ended June 30, 2015, in which Lamon & Stern, Inc. identified the following provisions of 17 C.F.R. § 15c3-3(k) under which Lamon & Stern, Inc. claimed an exemption from 17 C.F.R. § 240.15c3-3: (k)(2)(i) and (ii) (the "exemption provisions"); and, (2) Lamon & Stern, Inc. stated that Lamon & Stern, Inc. met the identified exemption provisions through the aforementioned fiscal year without exception. Lamon & Stern, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Lamon & Stern, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraphs (k)(2)(i) and (ii), of Rule 15c3-3 under the Securities Exchange Act of 1934.

Rubio CPA, PC  
RUBIO CPA, PC

August 25, 2016

# LAMON & STERN, INC.

INVESTMENT AND FINANCIAL CONSULTANTS

Suite 100, 1950 North Park Place

Atlanta, Georgia 30339

770-951-8411 Fax 770-951-1184

## Broker Dealer Annual Exemption Report

Lamon & Stern, Inc. claims an exemption from the provisions of Rule 15c3-3 under the Securities and Exchange Act of 1934, pursuant to paragraph (k)(2)(i) and (k)(2)(ii) of the Rule.

Lamon & Stern met the aforementioned exemption provisions throughout the most recent year ended June 30, 2016 without exception.



Hollis M. Lamon

August 24, 2016



# RUBIO CPA, PC

CERTIFIED PUBLIC ACCOUNTANTS

900 Circle 75 Parkway  
Suite 1100  
Atlanta, GA 30339  
Office: 770 690-8995  
Fax: 770 980-1077

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON APPLYING AGREED-UPON PROCEDURES

To the Stockholder of Lamon & Stern, Inc.

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and with the SIPC Series 600 Rules, we have performed the procedures enumerated below with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended June 30, 2016, which were agreed to by Lamon & Stern, Inc. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating Lamon & Stern, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Lamon & Stern, Inc.'s management is responsible for Lamon & Stern, Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries, noting no differences;
2. Compared the Total Revenue amounts of the audited Form X-17A-5 for the year ended June 30, 2016, with the amounts reported in Form SIPC-7 for the year ended June 30, 2016, noting no differences;
3. Compared adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences; and,
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

August 25, 2016  
Atlanta, GA

Rubio CPA, PC  
RUBIO CPA, PC

**SIPC-7**

(33-REV 7/10)

**SECURITIES INVESTOR PROTECTION CORPORATION**P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300**General Assessment Reconciliation**

For the fiscal year ended 6/30/2016

(Read carefully the instructions in your Working Copy before completing this Form)

**SIPC-7**

(33-REV 7/10)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

028694 FINRA JUN  
LAMON & STERN INC  
1950 N PARK PL SE STE 100  
ATLANTA GA 30339-2044

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

Michelle Farmer

2. A. General Assessment (item 2e from page 2)

\$ 3,334

B. Less payment made with SIPC-6 filed (exclude Interest)

( 1,639 )

1/28/16

Date Paid

C. Less prior overpayment applied

( )

D. Assessment balance due or (overpayment)

1,695

E. Interest computed on late payment (see instruction E) for \_\_\_\_\_ days at 20% per annum

\$ 1,695

F. Total assessment balance and interest due (or overpayment carried forward)

\$ 1,695

G. PAYMENT: ☒ the boxCheck mailed to P.O. Box ☒ Funds Wired ☐  
Total (must be same as F above)

\$ \_\_\_\_\_

H. Overpayment carried forward

\$( \_\_\_\_\_ )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

Lamon &amp; Stern, Inc.

(Name of Corporation, Partnership or other organization)

Michelle D. Farmer

(Authorized Signature)

Financial &amp; Operations Principal

(Title)

Dated the 25<sup>th</sup> day of August, 2016.

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

**SIPC REVIEWER**

Dates:

Postmarked

Received

Reviewed

Calculations \_\_\_\_\_

Documentation \_\_\_\_\_

Forward Copy \_\_\_\_\_

Exceptions:

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning 7/1/2015  
and ending 6/30/2016

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

Eliminate cents

\$ 1,333,942

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

- 0 -

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C):

(Deductions in excess of \$100,000 require documentation)

- (9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income. \$ \_\_\_\_\_

- (ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960). \$ \_\_\_\_\_

Enter the greater of line (i) or (ii)

Total deductions

- 0 -

2d. SIPC Net Operating Revenues

\$ 1,333,942

2e. General Assessment @ .0025

\$ 3,334

(to page 1, line 2 A.)

LAMON & STERN INC  
1950 N PARK PL SE STE 100  
ATLANTA, GA 30339-2044

14026

64-240-611

DATE

8/25/16

CHECK ARMOR

PAY  
TO THE  
ORDER OF

Securities Investor Protection Corporation

\$ 1,695.00

One thousand six hundred ninety five and 00/100

DOLLARS



FIDELITY  
BANK  
Atlanta, GA  
www.fidelity.com

FOR

SIPC - 17

Michelle Farmer

⑈014026⑈ ⑆061102400⑆ 08 02840 0⑈

# LAMON & STERN, INC.

INVESTMENT AND FINANCIAL CONSULTANTS

Suite 100, 1950 North Park Place  
Atlanta, Georgia 30339  
770-951-8411 Fax 770-951-1184

August 26, 2016

Securities and Exchange Commission  
Division of Market Regulation  
100 F Street, NE  
Washington, DC 20549

SEC  
Mail Processing  
Section  
AUG 30 2016  
Washington DC  
409

RE: Lamon & Stern, Inc.  
Annual Audited Financial Statements

To whom it may concern:

Enclosed please find our audited financial statements as of June 30, 2016. If you have any questions, please feel free to give me a call at 770-951-8411.

Sincerely,



Michelle D. Farmer  
Financial and Operations Principal

/mdf

Enclosure